



**STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE**

Insurance Division – Financial Section
500 James Robertson Parkway, 4TH Floor
Nashville, Tennessee 37243-1135
(615) 741-6796
ssmith9@mail.state.tn.us

**THIRD-PARTY ADMINISTRATORS
LICENSING PACKET**

**ALL APPLICATION, FORMS AND FEE OF \$100.00 (or retaliatory fee if greater)
SHALL BE MAILED TO THE FOLLOWING ADDRESS:
Tennessee Department of Commerce and Insurance 500 James Robertson Parkway
Third Party Administrator Licensing – 4th Floor
Nashville, Tennessee 37243-1135
Attention: Sandra Smith**

Most Common Problems Found When Reviewing TPA Applications.

Please use this sheet as a guide to complete your TPA application package. It will help eliminate problems that can delay the processing of your application packet.

1. Articles of Incorporation: Articles of Incorporation is not originally certified from state of domicile, secretary of state. Please be advised a copy of the Articles of Incorporation is not acceptable. It must have original certification from state of domicile.
2. Fidelity Bond:
 - a. The deductible amount, coverage amount, and policy period must be indicated on the bond when submitted to this Department. **"Until canceled"** is not sufficient evidence to prove the fidelity bond has been renewed.
 - b. The deductible amount cannot exceed 10% of the company's net worth (assets minus liabilities) which will be verified by the current financial statements submitted with company's application.
 - **Surety bonds do not meet the requirements for the fidelity bond; therefore, a surety bond cannot be substituted for a fidelity bond.**
3. Biographical Affidavits: Missing biographical affidavits for officers and directors. Please make sure all officers and directors have thoroughly completed their biographical affidavits with original signatures and notary.
4. Written Agreements:
 - a. Written agreements must be executed when submitted to this Department. Both parties must sign the written agreement before submitted.
 - b. The written agreement must contain TCA laws §56-6-403 through §56—6-409 when submitted to this Department. If any of these laws do not apply to your company, please submit a written statement explaining why the law does not apply to your company. These laws **must be** denoted or highlighted by your company when the agreement is submitted to this Department.
 - c. The agreement must be with a Life or Health insurance company licensed to do business in the State of Tennessee.
 - d. Agreements with employers to administer self-funded plans do not qualify for a Third Party Administrator's license, unless that company has a "stop loss" contract with a licensed Life or Health insurance company licensed to do business in the State of Tennessee.
5. Financial Statement:
 - a. Financial statements must be current within six (6) months from the date the application is submitted.
 - b. The financial statements must be attested or certified by a company officer, if they are not audited by a CPA.
 - c. Financial statements must be on the company licensed as a Third Party Administrator. If consolidated financial statements are submitted, please make sure that the totals for each individual company is given.

When Making Application. The Following Documents Are Required to be Submitted to Receive a Tennessee Third Party Administrator Licenses.

1. Complete Application (notarized).
2. License Processing Fee of \$100.00. Make check payable to Tennessee Department of Commerce and Insurance.
3. Articles of Incorporation (with original certification from state of domicile)
4. Partnership Agreement (if applicable).
5. Proof of Fidelity Bond Minimum -- \$100,000 with a deductible not to exceed 10% of company's net worth (asset minus liabilities which shall be verified by financial statement).
6. List of Officers and Directors
7. Biographical Affidavits of **all** Officers, Directors, and Key Personnel. Original signatures and notary required.
8. Written Agreements with Insurer(s) must contain the provisions of TCA §56-6-404 through §56-6-409. The written agreement with the insurance company must be executed prior to submission to the department. **These sections must be clearly denoted and identified by your company when submitted to this department. Please tab the paragraph for each law in the agreement.** Agreements with employers to administer self-funded plans do not meet this requirement.
9. Financial Statement (attested to by a company officer, or an audited statement. Must be current within six months of date of filing.)
10. List of states where applicant currently holds license or conducts business.

Applicable Tennessee Insurance Laws

§56-6-401	"Administrator" defined
§56-6-402	Agreement required – Records – Terms
§56-6-403	Payments handled by administrator
§56-6-404	Recordkeeping requirements
§56-6-405	Advertising
§56-6-406	Administrator's duties as fiduciary
§56-6-407	Payment of claims
§56-6-408	Administrator's compensation not contingent on claims experience
§56-6-409	Notice to insured persons – Notice to persons purchasing coverage
§56-6-410	License requirements
§56-6-411	Waiver of license requirements
§56-6-412	Federally regulated trusts

Renewal Filings:

The following documents are required to be submitted when renewing a licenses. Administrator is responsible for renewing license annually, prior to expiration. **NOTICES WILL NOT BE SENT.**

1. Renewal Processing Fee of \$50.00
2. Proof that Fidelity Bond is Currently in Force
3. Financial Statement (Attested to by a company officer, or an audited statement. Must be current within six months).
4. Any and all amendment to the original filing.



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DEPARTMENT OF COMMERCE AND INSURANCE
Insurance Division – Financial Section
500 James Robertson Parkway, 4TH Floor
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(615) 741-1633

**APPLICATION
FOR
LICENSE ADMINISTRATOR
OF LIFE AND/OR HEALTH INSURANCE**

COMMISSIONER OF COMMERCE AND INSURANCE, NASHVILLE, TN

On behalf of _____,
(Name of Person, Company, Corporation, Partnership, Association or other Legal Entity)

with principal of: _____
(Street Address)

(City) (State) (Zip)

I hereby apply for a LICENSE authorizing and empowering the above entitled:

(Name of Person, Company, Corporation, Partnership, Association or other Legal Entity)

to act as an administrator pursuant to TCA §56-6-401 through §56-6-412. Should the above entity

(Name of Person, Company, Corporation, Partnership, Association or other Legal Entity)

have an office in Tennessee; its location is hereby recorded as:

(City) (State) (Zip)

Furthermore, _____,
(Name of Person, Company, Corporation, Partnership, Association or other Legal Entity)

1. The applicant shall not act as an administrator with out a written agreement(s) between the administrator and the insurer, and such written agreement(s) shall be retained as part of the official records of the administrator for the duration of the agreement(s) and five (5) years thereafter.
2. Such written agreement(s) shall contain provisions which include the requirements of TCA §56-6-404- through §56-6-409, except insofar as those requirements do not apply to the functions performed by the administrator;
3. Where a policy is issued to a trustee(s) or trust agreement and any amendments thereto shall be furnished to the insurer by the administrator and shall be retained as part of the official records of the administrator for the duration of the policy and five (5) years thereafter;
4. The agreement between the administrator and insurer shall make provision with respect to underwriting or other standards pertaining to the business underwritten by the insurer;
5. Whenever an insurer utilizes the services of the administrator under the terms of the written agreement as required above, the payment to the administrator of any premiums or charges for insurance by or on behalf of the insured shall be deemed to have been received by the insurer, and the payments of return premiums or claims by the insurer to the administrator shall not be deemed payment to the insured or claimant until such payments are received by the insured or claimant:

6. Where the services of an administrator are unutilized, the administrator shall provide a written notice approved by the insurer, individuals, advising them of the identity of and relationship among the administrator, the policyholder and the insurer.
7. The applicant has not had a previous application for an insurance license denied for cause within the past five- (5) years.
8. The applicant has not had any professional, vocational or business license denied, suspended, revoked or restricted by any public authority in this or any other state, nor such license been subjected to a monetary fine by any public authority or been withdrawn or surrendered to avoid disciplinary action:
9. The applicant has not had any judgement rendered against it in any court of any jurisdiction of the United States for its activities relating to the transaction of business as an administrator:
10. The applicant has not been declared insolvent or discharged from bankruptcy within the past five- (5) years.
11. None of its officers and directors have been convicted in a criminal proceeding (excluding minor traffic violations) within the past 10 years.
12. The applicant has not had an insurance company cancel and administrative services agreement for any financial reason other than non-production, and:
13. The applicant is the following type of entity (check one)
 - a. Individual _____
 - b. Corporation _____
 - c. Partnership _____
 - d. Association _____

(Signature)

(Title)

Subscribed and sworn before me, this _____ day of _____, 20_____

(Notary Public)

My commission expires _____, of _____ 20_____

(seal)

INSURANCE COMPANIES

Know All Men By These Presents:

That the
a corporation created by and organized under the laws of
and thereby authorized to transact the business of
within the State of Tennessee, pursuant to the laws thereof, does, by these presents, authorize The
Commissioner of The Department of Commerce and Insurance and Deputy Commissioner in and for the
said State of Tennessee, to acknowledge service of all legal process, whether mesne or final, for and in
behalf of it, the said corporation above named, in said State of Tennessee in any judicial proceeding
which may, within the said State of Tennessee, be instituted against it, the said Company, or to which it
may be a party; and the said does
hereby, in consideration of the privilege of doing business in said State as aforesaid, consent to and with
said State of Tennessee, for the benefit of all persons concerned, that service of any such process upon
such Commissioner of The Department of Commerce and Insurance or Deputy Commissioner shall be
taken and held to be as valid as if served upon it, the said Company above named, according to the laws
of said State of Tennessee, or of any other State; and the said
does hereby further consent that in case it, the said Company above named, shall
cease to transact business in the said State of Tennessee, said Commissioner of The Department of
Commerce and Insurance and Deputy Commissioner shall be considered and held as continuing to be
Attorney for it, the said Company, for the purpose of process as aforesaid, in any action against it, the
said Company above named, upon any policy or liability issued or contracted during the time the said
Company transacted business in the said State of Tennessee.

In Witness Whereof, the said Company, in accordance with a resolution of its Board of Directors, duly
adopted by said Board, on the day of A.D. 20 ...
,, (a certified copy whereof is hereunto attached), hath to these presents affixed its
corporate seal, and caused the same to be subscribed and attested to by its President and
Secretary, at the City of in the State of
..... on the day of A.D. 20
..... President.

Attest:

..... Secretary.

(OVER)

NOTICE

Certified copy of Resolution adopted by Board of Directors authorizing the execution of Power of Attorney must be attached here.